



ILLINOIS GAMING BOARD

Pat Quinn • Governor Aaron Jaffe • Chairman Mark Ostrowski • Administrator

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Illinois Gaming Board Policies on Terminal Operator Tax Accounts, Terminal Operator Finance Approval, Terminal Operator Financial Distress and Licensed Location Tax and Registration Issues

Terminal Operator Tax Accounts

- Each Terminal Operator (“TO”) tax account will be swept following each billing period, which ends on the 15th calendar day and the end of the month. Scientific Games (“SG”) will make available to the TO the amount of the tax due according to the SG billing schedule posted on the IGB website. The TO must reconcile the amount due with its records and deposit the required funds in its designated bank account by the date shown for payment on the SG billing schedule.
- SG will withdraw from the TO tax account only the amount of taxes due during any given billing period.
- If there are insufficient funds in the designated bank account, zero funds will be withdrawn. SG will promptly call and/or email the TO to provide notice of the deficiency. The TO will have 24 hours to cure the deficiency by remitting the total tax due to SG via wire transfer.
- If the TO does not cure the deficiency within 24 hours, the Administrator will immediately notify SG that all Video Gaming Terminals (“VGT”) for that TO shall be disabled until the deficiency is satisfied.
- Additionally, the IGB reserves the right to take disciplinary action and/or levy any statutory interest penalties against a TO any time the TO’s bank account designated as the depository for taxes due is not fully funded. Such action may include, but is not limited to, monetary fines and/or the suspension or revocation of the TO’s license.
- Any changes in the designated bank account from which taxes owed are paid requires 48 hours prior notice to the IGB. Reference the ACH Debit Authorization Instructions and Form (see attachment). Failure to notify the IGB of changes in account information may result in disciplinary action.

Terminal Operator Finance Approval

- All TO financing agreements and funding arrangements (i.e., lines of credit, equity loans) for VGTs, payout devices, other equipment necessary to the video gaming system, and working capital necessary to fund operations prior to the start of video gaming must be submitted and approved by the IGB prior to the start of video gaming by that TO. The TO and its lender may execute financing agreements, but no funds may be disbursed under such agreement without IGB approval. All financing documents should be submitted to Doug Bybee, doug.bybee@igb.illinois.gov.
- The financing agreements must include the following language:

“This financing agreement is subject to and contingent upon review and approval by the Illinois Gaming Board. Disbursement of funds under this agreement shall not occur prior to such written approval.”

- A TO should submit a financing agreement with its lender for the total amount of the credit approval, even though the aggregate loan amount may be drawn incrementally. Once approved, a TO can begin to draw funds up to the approved amount. The IGB does not need to be notified of each incremental transaction under the loan agreement (i.e., each draw or purchase).
- All executed financing documents for each type of financing must be submitted to the IGB as one financing package. The IGB will review the documents and determine appropriateness for approval.
- Both prior and subsequent to the start of video gaming, the IGB must be notified of any material modifications or amendments to loan documents (i.e., increases in loan amounts, change in interest rate, change in term) and/or the execution of additional financing. The IGB will notify the TO if such changes are not acceptable.
- If a TO is self-funded in whole or in part, the IGB requires an affirmative statement from the TO to that effect

Terminal Operator Financial Distress

- If a TO is in default to a lender and has failed to cure such default within the allowable timeframe specified in the loan agreement after notice of the default is provided, the lender may exercise the remedies legally available to it under the law and the financing agreements including, subject to IGB approval, replacing the defaulting TO with another licensed TO.
- If a lender is a non-licensee and it chooses to exercise its security interest when a TO has defaulted by repossessing VGTs, it must have a written agreement with a current IGB licensee who is authorized to possess VGT's that allows that licensee to repossess the VGTs on the lender's behalf. This agreement will not need IGB approval, but the IGB licensee must notify the IGB of the agreement.

Licensed Location Tax and Registration Issues

- If the Illinois Department of Revenue (“IDOR”) notifies the IGB that a licensed location has an outstanding State tax issue or has not obtained all necessary registrations from IDOR, IGB will notify both the licensed location and that location's TO via email of the deficiency.
- The licensed location will have 100 days from the date of notice to cure the outstanding issue.